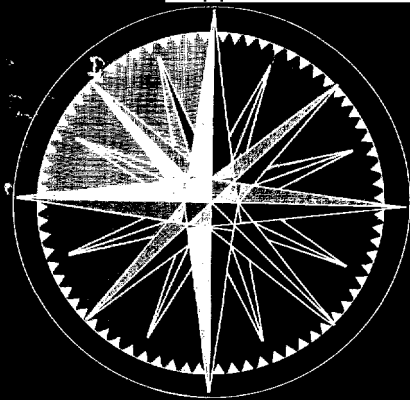


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19 March 1965

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WEEKLY SUMMARY

CENTRAL INTELLIGENCE AGENCY
OFFICE OF CURRENT INTELLIGENCE

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C O N T E N T S

(Information as of 1200 EST, 18 March 1965)

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A US air strike on 15 March heavily damaged Phu Qui ammunition depot about 100 miles south of Hanoi. South Vietnamese aircraft had hit military barracks on Tiger Island on 14 March. No Chinese Communist or Soviet military reaction to either strike has been noted. The Chinese, however, are trying to encourage neutral pressure against stepped-up US military action, and private Soviet approaches to US officials are stressing Moscow's interest in a negotiated settlement.

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[REDACTED] In South Vietnam government forces are clearly on the defensive in most of the countryside, and the Quat administration is facing its usual problems of countering political intrigue.

UNITED NATIONS**FUTURE OF UN PEACEKEEPING OPERATIONS REMAINS MUDDLED**

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The special committee appointed four weeks ago has not yet come to grips with the peacekeeping issue. One difficult question is whether to confine deliberations to future operations--as the USSR and France prefer--or to discuss past and present activities as well.

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With the 1965 growing season approaching, the regime will probably discuss agriculture and may define a new program to replace the policies discredited following Khrushchev's ouster.

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This project suggests growing confidence in the USSR's ability to fabricate its own 40-inch pipe, and demonstrates a continued preference for locating energy-intensive industries in the European USSR rather than in remote but fuel-surplus areas.

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THE VIETNAM SITUATION

US aircraft struck deeper into North Vietnamese territory during the past week, hitting a target about a hundred miles from Hanoi on 15 March. This attack followed a 14 March air strike by South Vietnamese planes on Tiger Island. No military reaction by either Communist China or the USSR has been noted since the air strikes.

In South Vietnam the government is clearly on the defensive in most of the countryside. Moreover, the administration of Premier Quat is facing its usual problems of countering political intrigue.

The Air Strikes

South Vietnamese aircraft struck the Hon Gio military barracks on Tiger Island on 14 March. Poststrike photography revealed that of the nine administration and storage buildings in the target area, one was partially destroyed, another severely damaged, and three more sustained some roof damage. No aircraft were lost on this raid.

The Hon Gio attack was followed on 15 March by a US attack on the Phu Qui ammunition depot approximately 100 miles south of Hanoi. Poststrike photography indicates that the target area suffered heavy damage. Eighteen of the buildings were completely destroyed and 11 severely damaged. One aircraft and pilot were lost at sea returning from the mission.

Recent analysis of [redacted] photography of the Phuc Yen airfield revealed that 19 dummy aircraft were parked there along with 34 MIG-15/17 fighters. There apparently has been no additional deployment of fighter aircraft into North Vietnam since August 1964 when a regiment of 36 fighters first occupied Phuc Yen.

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Developments in the DRV

[redacted] Noting that the 15 March strike penetrated "deeper into our territory than before," a 16 March party daily editorial exhorted the people and the armed forces in the north to "always stand ready ...in coordination with the liberation forces in the south" to "defend...the airspace, territorial waters, and territory of our country."

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The regime in Hanoi is also attempting to bolster the confidence of its people by asserting that "volunteers" from all over the world stand ready to come to the defense of North Vietnam. According to a Hanoi radio domestic broadcast on 16 March, many youths from the Soviet Union, Communist China, and other nations have volunteered for service in Vietnam.

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ent of Agence France Presse (AFP) on an unsolicited trip between 16 February and 1 March which included stops in Kunming and Nanning and a rail journey from Kunming to a point near the Vietnamese border. The correspondent claims to have seen "no military activity whatsoever" and told officials in the US Consulate General at Hong Kong that a medium-level Chinese official in Kunming had made the point explicitly that Chinese troops were not preparing to intervene in Vietnam.

Similarly, during talks in Peiping with President Ayub and other Pakistani officials early this month, the Chinese apparently made another attempt to encourage neutral pressure against stepped-up US military action in Vietnam by presenting themselves as reasonable and willing to talk.

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Chinese Communist Activities

Peiping reacted sharply to the 15 March strike, warning in a 17 March People's Daily editorial that "The further US imperialism goes in expanding aggression," the "more impossible will be the prospect of bringing about a political settlement." The editorial hinted darkly that "the war of aggression must be countered with a war of antiaggression."

While Peiping's public posture on Vietnam remains inflexible, the Chinese have been putting out mixed signals in private, apparently in an effort to encourage confusion abroad as to their intentions. They sent the China correspond-

Peiping probably calculates that talks

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Vietnam

conducted on this basis might relieve the pressure on Hanoi while permitting the Viet Cong to continue their campaign unhindered.

Peiping continues to exploit events related to Vietnam in the Sino-Soviet conflict. Four of the Chinese students allegedly injured by the Soviet police during the anti-US riots in Moscow on 4 March received a hero's welcome when they returned to China on 14 March. The Chinese have "categorically rejected" Moscow's 12 March note justifying Soviet actions and have accused the USSR of attempting to "reverse right and wrong." The People's Daily has flatly charged that the Soviet Government has placed itself "under the thumb of US imperialism," and Peiping has given wide publicity to its 16 March diplomatic note to Moscow which reiterates charges of police brutality and once again demands Soviet apologies.

Soviet Reaction

Although the USSR is holding to a public position of uncompromising support for North Vietnam, private Soviet approaches to US officials continue to stress Moscow's interest in an eventual negotiated settlement.

Moscow has rejected the British proposal of 20 February for joint action by the Geneva co-chairmen to explore a peaceful settlement and has published its own draft of a co-chairmen message which condemns alleged

US violations of the Geneva agreements and demands that US forces stop "aggressive actions" against North Vietnam and withdraw from South Vietnam.

In contrast to this unyielding public posture, private approaches to US officials stress Moscow's desire to avoid involvement in the Vietnam conflict and to cooperate with the US in moving toward a political settlement.

The Soviet ambassador to Luxembourg--a past source of Soviet trial balloons--told his US colleague on 15 March that the US and the USSR, as the "only nations which really count," should be able to work out a solution which would remove the risk of war. He contended that Peiping, not Hanoi, is the "real obstacle" to a settlement and argued that air attacks against North Vietnam would not bring a solution because Hanoi is "not the problem." The Soviet ambassador repeated earlier private warnings that, if the conflict escalates, the USSR may not be able to avoid involvement.

In discussing possible terms for a settlement, the Soviet ambassador indicated that an arrangement involving the withdrawal, under appropriate guarantees, of all foreign forces from South Vietnam, including the North Vietnamese, "seemed reasonable." The US ambassador recalls that this same Soviet official made a similar approach regarding the desirability of a nuclear test ban treaty "very early in the game."

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Vietnam

In his farewell call on Ambassador Bohlen in Paris on 12 March, departing Soviet Ambassador Vinogradov took a similar line. He repeated several times that a continuation of hostilities is pushing the Vietnamese toward Peiping. Vinogradov asserted that there could be no thought of a conference so long as US bombardment of the DRV continued. He expressed the hope that the USSR could work with the US to bring about peace in Vietnam.

Viet Cong Military Action

In the northern and central provinces of South Vietnam, the Communists continue their efforts to consolidate their gains and reduce government control to areas around isolated towns and major population centers. Binh Dinh Province remains the focal point of Viet Cong operations in the central coastal regions, while increased guerrilla activity in the highlands of Kontum Province lends credibility to the recent reports of a build-up of enemy forces in the northwestern portion of the province. Sabotage and interdiction of land lines of communication remain widespread, extending from the provinces of Quang Tri and Thua Thien in the north through the coastal provinces of Quang Nam, Quang Ngai, Binh Dinh, Phu Yen, and Khanh

Hoa. Control of the coasts by the Viet Cong would facilitate flexibility in logistical and offensive operations, while sustained denial of coastal highways and railways to government forces would seriously reduce the mobility of these forces and their capability for quick reaction.

To the south, Communist military pressure remains intense in the provinces east of Saigon, and in the tactical areas of the government's 5th and 25th Divisions, immediately to the west and south of Saigon. In the delta, the pattern of Viet Cong activity continues to suggest a holding operation, with the insurgents consolidating their forces, refraining from major attacks, but applying steady pressure on the countryside in the form of terrorism, harassments, and road sabotage.

South Vietnamese Political Developments

Uneasiness has persisted in Saigon over a projected formal military meeting on command changes and over rumors of a possible prior move by one or another military faction. No firm evidence of any advanced coup plotting has been noted, however

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Vietnam

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[REDACTED]

Premier Quat, meanwhile, has continued his efforts to create an impression of action on the part of the national government. He announced last week a series of broad and specific measures on which realistic progress might be expected, and held a series of meetings with a variety of officials as well as with nongovernmental figures in an effort to project a favorable image of his government and its policies.

Although the Quat government is still moving to suppress potentially subversive

propaganda for peace, it continues to tolerate the peace movement led by Buddhist monk Quang Lien. The Buddhist Institute has indulged in further acrobatics to deny sponsorship of Lien's movement, while simultaneously endorsing the goal of peace. An official Buddhist position on the peace issue may have been a topic of discussion at a Buddhist administrative congress this week.

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United Nations

FUTURE OF UN PEACEKEEPING OPERATIONS REMAINS MUDDLED

The 33 members of the UN Special Committee on Peacekeeping Operations, appointed by Assembly President Quaison-Sackey four weeks ago, have consulted endlessly with each other without coming to grips with the problem or even deciding on committee procedures. The committee is expected to hold its first organizational meeting about 26 March and, if all goes as Quaison-Sackey plans, will adjourn for about two months to permit further private consultations. The committee's report is due to the General Assembly by 15 June.

The special committee consists of the Big Four--Nationalist China was left out in order to get the USSR's cooperation--plus six countries in Africa, six in Asia, five in the Soviet bloc, five in Latin America, and seven in Western Europe and the Commonwealth. Opposition to an early meeting of the committee by both the US and the USSR is being interpreted by many Africans and Asians as further evidence that Moscow and Washington intend to strike a bargain between themselves on the future of peacekeeping operations. These countries fear that the committee will then be asked only to rubber-stamp approval of an agreement which, to be acceptable to the USSR, would be bound to detract from the assembly's powers in the peacekeeping field.

One of the thornier issues under discussion is the question of whether the committee should discuss past and present UN peacekeeping operations or confine itself to considering problems related to future undertakings. France has threatened to attend meetings only as an observer if the committee goes into past and present operations. Paris maintains that once the future conduct of peacekeeping operations is settled the problem of past debts will be reduced to manageable proportions. The USSR tends to take much the same line.

On the problem of settling financial arrearages, particularly the Soviet and French debts, it now seems evident that the discussions will avoid emphasis on Article 19 and concentrate on the "restoration of the UN's financial solvency." The UN is presently in the hole approximately \$120 million. The prevalent feeling is that if the USSR contributes a sum that will bring its arrears below the two-year limit allowed by Article 19, the remaining Soviet debt could "lie dormant on the books." The British UN delegation, however, considers that the whole slate of arrears must be wiped clean if adequate voluntary contributions are to be forthcoming.

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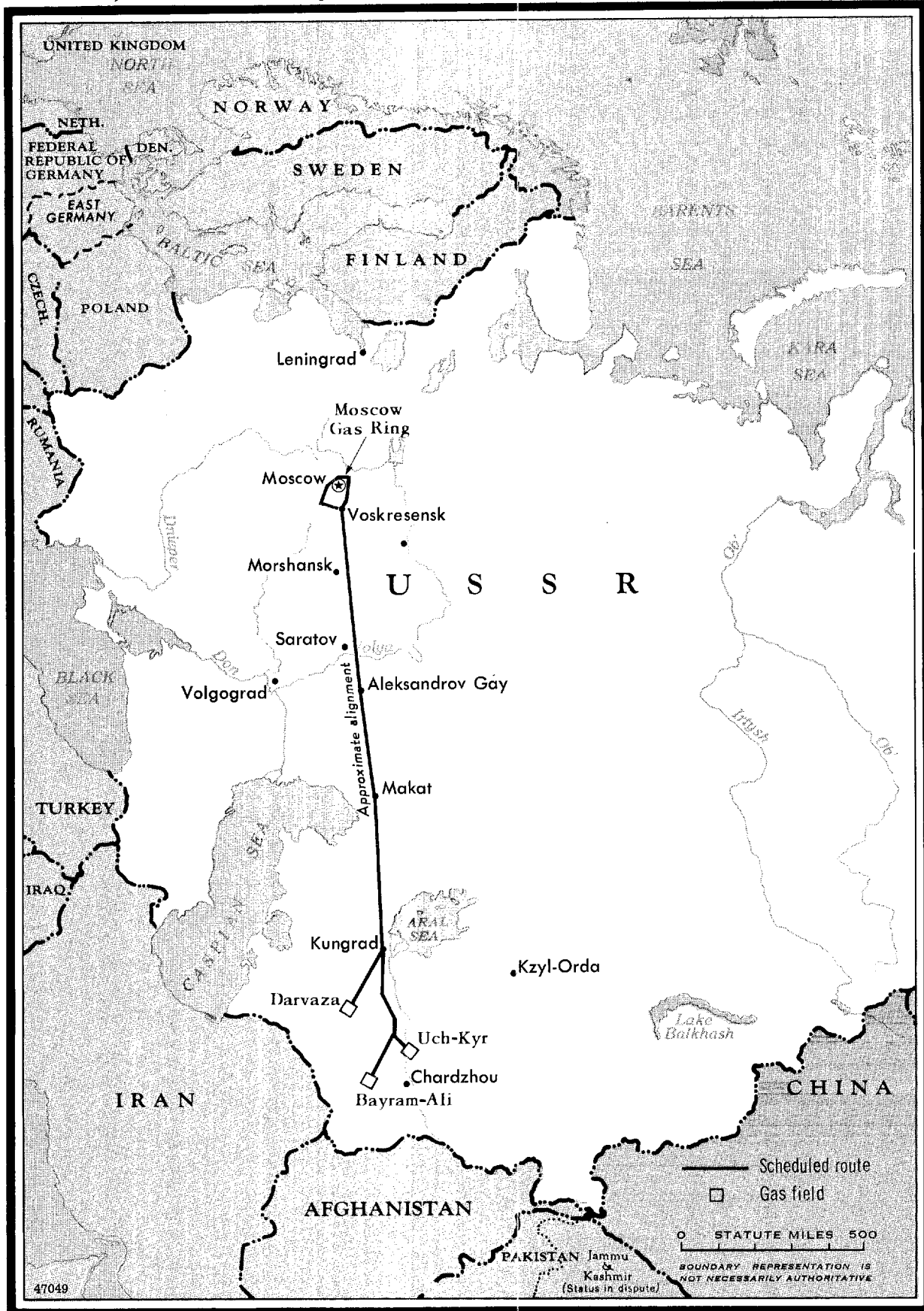
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Projected Gas Pipeline from Central Asia to Moscow



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The Communist World

SOVIET CENTRAL COMMITTEE MAY MEET SOON

The Soviet leaders are apparently preparing to hold a meeting of the party's central committee, possibly within the next three weeks. Rumors that a meeting was imminent have been noted in Moscow, and Prague Radio announced on 8 March that a plenum of the Soviet party body would be held soon. A Mongolian party-government delegation has apparently been told not to arrive in Moscow before 10 April, suggesting that the plenum would be held earlier.

During the latter years of the Khrushchev era, central committee plenums were usually announced several weeks in advance. The new leadership may feel, however, that such notice leads to premature discussion and polemics.

According to the Prague Radio announcement the Soviet central

committee will discuss agriculture. With the 1965 growing season approaching, agriculture certainly seems the most likely topic. Although the new regime has made some changes in agricultural policy and leadership, it has yet to define a new program to replace the policies discredited following Khrushchev's ouster last fall.

The US Embassy in Moscow has noted signs of "forced draft" deliberation on means to improve the operation of the economy, suggesting that the plenum might consider proposals for changes in the economic system. From the course of the discussion thus far, however, it seems unlikely that the Soviet leaders will be prepared to embark on a new program of economic reform for several months.

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USSR TO BUILD GAS PIPELINES FROM CENTRAL ASIA TO MOSCOW

Construction will begin this year on the ambitious and expensive project of linking the Moscow industrial area with natural gas fields in Central Asia.

Initiation of this project suggests a growing confidence on the USSR's part in its ability to fabricate larger quantities of 40-inch-diameter pipe domestically. It also demonstrates that the government continues to prefer to concentrate energy-intensive industries in the European USSR--at the cost of transporting fuel great distances--rather than to locate new plants in remote, but fuel-surplus areas.

Initially the system will consist of two parallel 40-inch lines, each capable of carrying 10 billion cubic meters of gas annually. These two lines, according to the Soviet press, will use 4,240 miles of pipe. The first, scheduled for completion by 1967, will require almost a million metric tons of steel pipe and a capital investment of more than \$300 million. Eventually the USSR plans to build a second and third system--each apparently consisting of two parallel pipelines--along the same route and to extend the supply of Central Asian gas to the Baltic and Leningrad areas.

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REPRODUCTION OF A CONTROVERSIAL PAINTING THAT APPEARED IN FULL
COLOR ON THE BACK COVER OF THE FINAL 1964 ISSUE OF CHINA YOUTH.



你追我赶 (油画)

"You press on, I'll catch up." (Oil painting)

李泽浩

Li Tse-hao

The bodies of Lenin (1) and probably Mao Tse-tung (3) are among the stalks, being trampled underfoot by the peasants.

Tiny figures bearing three red banners (2) representing the party's General Line, the Leap Forward, and the Communes. The second banner, the one symbolizing the Leap Forward, has fallen to the ground.

While all the plants are obediently bending to the West (to the left, in traditional Chinese paintings), clothes, hair, and banners are streaming in the other direction, as if to demonstrate that the East Wind does not consistently prevail over the West Wind.

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The Communist World

ANTIREGIME HOAX UNDERSCORES PEIPING'S PROBLEM WITH YOUTH

Chinese Communist leaders are angered and worried by the success of an audacious anti-regime hoax that appeared in the last 1964 issue of China Youth magazine. Their surprisingly strong reaction denotes a deep-felt--and probably justified--suspicion that the younger generation is unenthusiastic about the Maoist brand of Communism.

China Youth--the major journal for indoctrinating youth--reproduced a painting which contains several clever antiparty devices concealed in an otherwise acceptable motif typical of socialist realism (see facing page). Millions of copies had apparently been distributed to all parts of China weeks before enraged officials discovered the deception and recalled all copies.

Peiping's sensitive reaction can be explained in part in cultural terms. China's intellectuals have traditionally expressed antiregime sentiments

in the guise of safe-seeming art, but this is the first known important recurrence of the usage under Communist rule.

Far more disturbing to party leaders, however, are the growing signs, such as this hoax, that the regime's massive indoctrination efforts directed at young people have failed. These efforts have been stepped up during the past two years in an attempt to rekindle some of the zeal lost after the failures of the Leap Forward. The regime is attempting to counter the considerable disaffection which lies beneath youth's surface conformity.

Mao himself, in recent comments to visitors, has openly displayed his increasing personal distrust of China's youth. Reflecting this distrust are the major changes that have been put into effect over the last year in the organization and leadership of youth bodies. In a notable example this February, Hu Yaopang, YCL head since 1952, was shipped out to regional party duties in northwest China.

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The Communist World

CHANGES ON RUMANIA'S INTELLECTUAL SCENE

The Rumanian regime in recent weeks has taken some important steps toward meeting the growing desires among intellectuals for fewer controls over their activities and for contact with the West. The regime's actions in the long run could lead, despite cautious implementation, to pressures for broader policies of relaxation benefiting the entire population.

A most significant step was the choice of a reported moderate, Demostene Botez, to replace old-guard Stalinist Mihai Beniuc as president of the Writers' Union. The shift was accompanied by a central committee message to the union endorsing greater freedom of expression. The message implicitly attacked past union leadership for "ignoring the specific character of artistic creativity," and called for the "stimulation of a broad exchange of opinions."

Prior to these developments the regime had been urging attention to Rumania's national literary heritage rather than to that of the USSR. Also, after 20 years of isolation, Rumanian writers and critics now can comment on such previously taboo authors as Kafka and other Western writers who are also being endorsed. The plays by modern American authors, including O'Neill, Steinbeck, Miller, and

Albee, are being performed in Bucharest, while only one modern Soviet playwright is represented. Party First Secretary Gheorghiu-Dej, over a year ago had said: "We do not hide in our shell... we are doing--and we will continue to do in the future--all that is necessary in order that our readers may become better acquainted with works of other writers."

In addition, the first major displays of abstract art appeared in Bucharest in mid-February. The regime's stamp of approval was evidenced when Vice Premier Birladeanu purchased some of the displayed paintings.

Trends of liberalization and Westernization have also reached into the fields of music and social sciences. Although music has never been subjected to harsh restrictions, the Rumanian party and cultural press has been agitating in recent months for even more frequent performances of modern Western music. In the social sciences, de-Russification and attention to national traditions have brought about the partial rehabilitation of leading bourgeois scholars of the interwar period. 25X1

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Asia-Africa

COMMUNISTS CLASH WITH MOSLEMS IN INDONESIA

Growing violence is developing in Indonesia between the Communist Party (PKI) and Moslem organizations. The greatest number of incidents have occurred in East Java, where the orthodox Moslem party, Nahdatul Ulama (NU), has its greatest strength, but difficulties have also occurred in Central Java and in Atjeh in northern Sumatra.

The incidents appear to have begun about last November. They have occurred with increasing frequency during the past six weeks. Initially they arose from resistance to illegal Communist land seizures, but recently Moslem groups have sought to disrupt almost any Communist activity, particularly meetings of Communist front groups.

In East Java a press polemic of unusual vehemence and explicitness has developed between PKI dailies and papers controlled by the NU. Last month the NU press blamed the PKI for turmoil in East Java, called for action by the authorities "before it is too late," and demanded the banning of all pro-PKI newspapers on the grounds that they "stir disunity, distort problems, and spread slanders."

Until recently little publicity had been given these developments. Even now the Communists, instead of denouncing the NU, are using the pattern of violence to develop a case against one of their favorite targets, the

Moslem anti-Communist student organization "HMI." Claiming that the HMI is responsible for "terrorist activities" in Java, the Communists have asked Sukarno to ban it. HMI's disappearance would eliminate the most effective impediment to eventual Communist capture of the Indonesian university system.

The Communists apparently are trying to undermine the other groups by charging that the US is supporting an anti-Communist movement in East Java. In a recent speech, Sukarno claimed that Islamic organizations were being used for subversion, and an eventual government move against NU front groups seems likely.

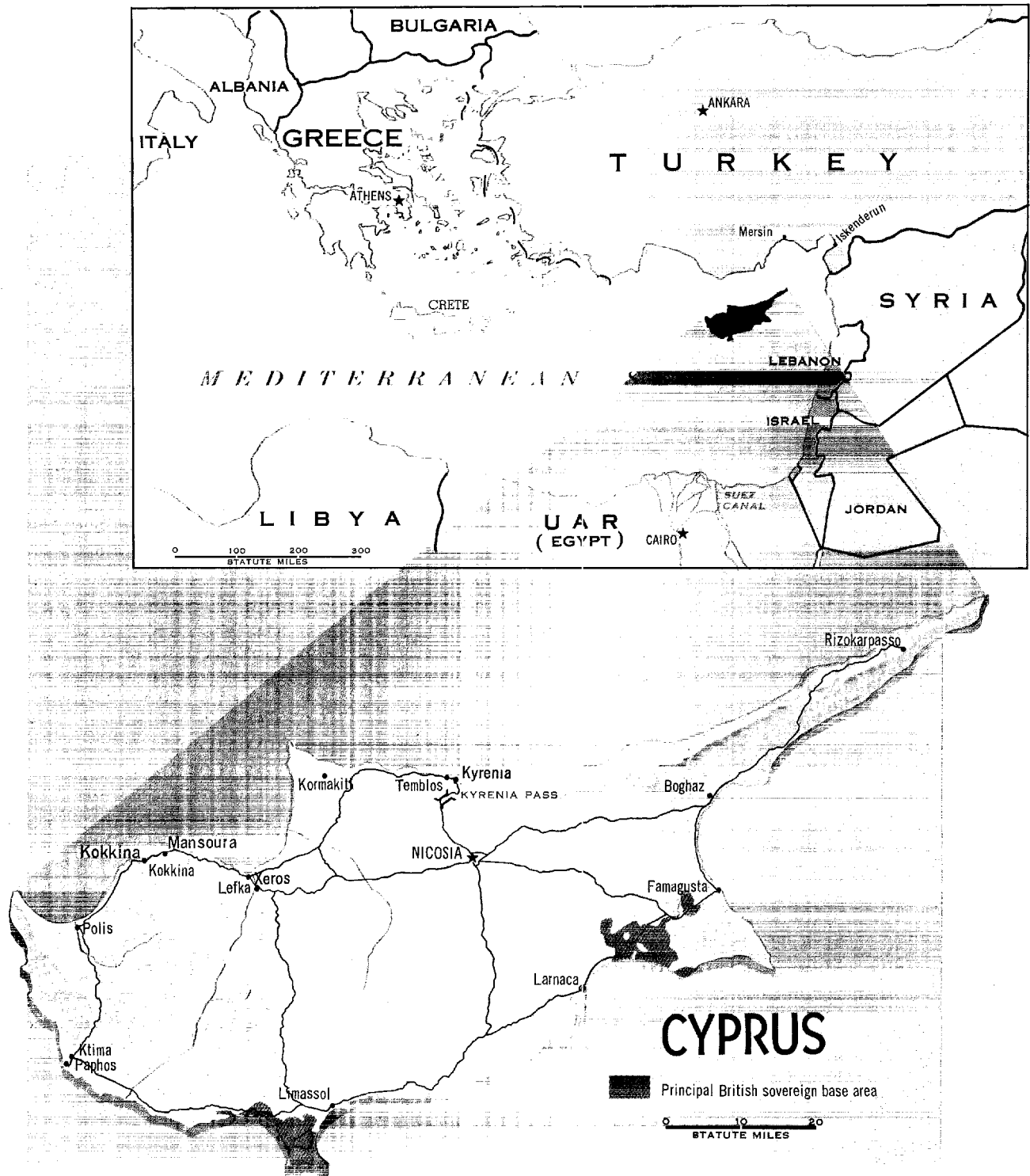
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An Indonesian Government move against American-owned oil companies may be imminent.

The Communist Party has demanded seizure of the companies for some time, and on 18 March Communist labor groups reportedly took control of the Stanvac refinery in South Sumatra.

The Communists have also probably encouraged unrest in the navy. Admiral Martadinata, the chief of staff, has long been one of their prime targets. Two Communist officers were arrested for their involvement in the recent mutiny of junior officers which aimed at removing him.

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Asia-Africa

CYPRUS: FIGHTING BREAKS OUT [REDACTED]

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Communal fighting has broken out on Cyprus for the first time in several months, and Turkey is taking steps which could be preparatory to military intervention.

The new violence began on 12 March in northwest Cyprus near Lefka, the largest Turkish town on the island. Units of the Greek Cypriot National Guard have virtually surrounded two small Turkish towns nearby. Lefka itself has not come under direct attack. Despite some relatively heavy firing, few casualties are reported.

At the same time Greek and Turkish Cypriot leaders have exchanged unusually bitter denunciations.

[REDACTED]

The Turks appear to be preparing once again for armed action, possibly in connection with the scheduled rotation of their troops on Cyprus by the end of March in the face of continued opposition from Nicosia. Turkish armed forces are in an increased alert status, and training and readiness operations apparently will be stepped up. The Turkish press reports joint amphibious operations planned for the Gulf of Iskenderun on 24 March. The regularly scheduled rotation of Turkish naval forces between northern and southern ports is under way and will double the naval power in the Iskenderun-Mersin area during the next two weeks.

As some time would be needed to prepare for an amphibious assault on Cyprus, air strikes appear likely if Ankara decides on the need for early action.

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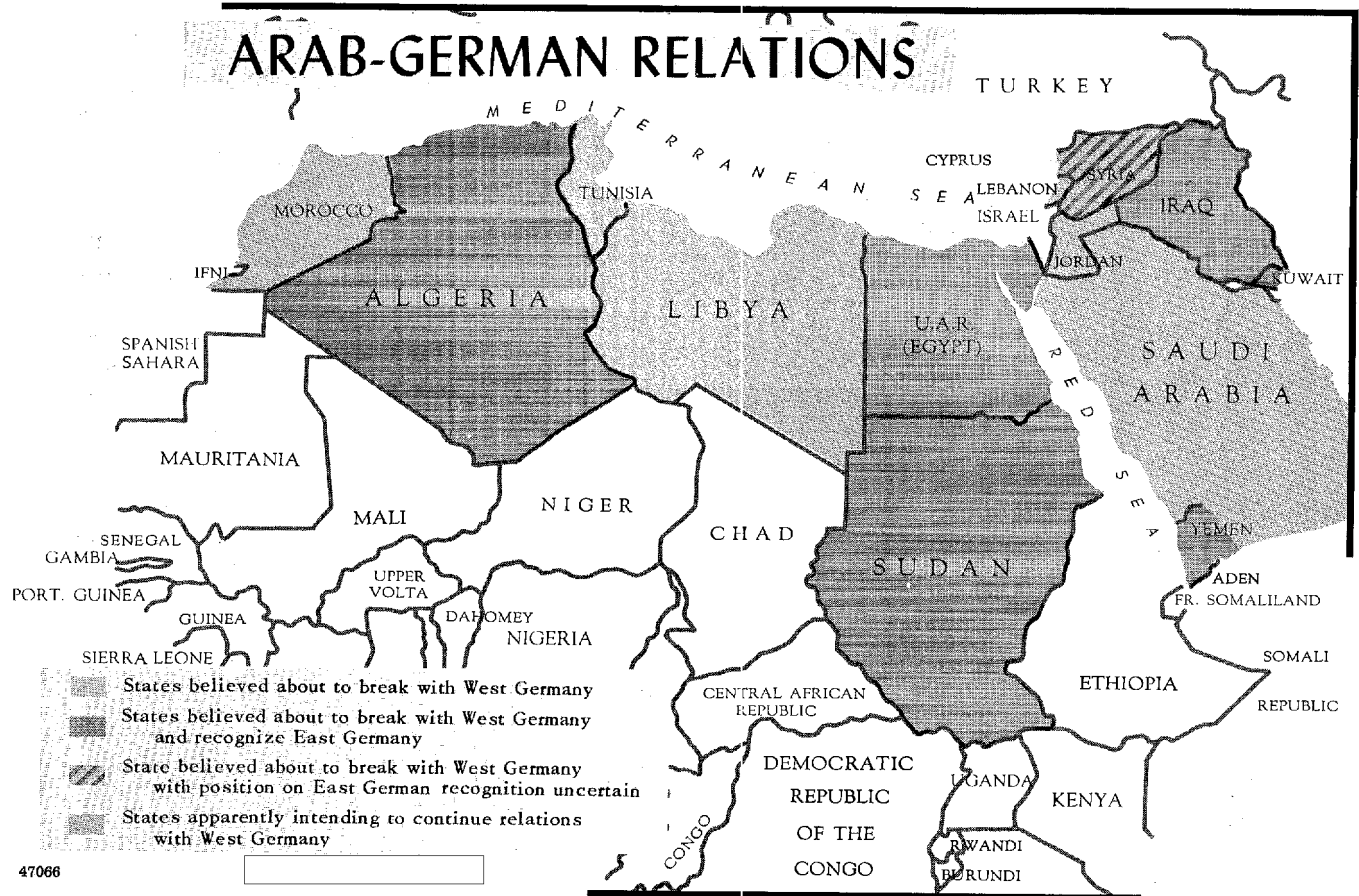
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Asia-Africa

NASIR LEADS ARAB STATES IN MOVES AGAINST BONN

Egyptian President Nasir has brought the Arab states far toward a common stand against West Germany in response to its recognition of Israel, but his success is not complete.

Nasir has threatened that once formal West German - Israeli diplomatic relations are established, he will break diplomatic and economic relations with Bonn and recognize East Germany. At a meeting of the 13 Arab League states in Cairo on 13-14 March, only Morocco, Tunisia, and Libya did not follow his lead on the question of breaking with Bonn. Nasir has apparently induced five of the states to announce that they will establish relations with East Germany. Syria still has not agreed but is expected to fall in line.

It is not yet clear, to what extent there will also be an economic break with West Germany. Those states which have agreed to sever diplomatic relations are also ready to break economic ties in the event Bonn takes further "hostile" measures against any Arab state. Measures regarded as "hostile" probably would be Bonn's payment to Israel of monetary compensation for the undelivered items in their recently terminated arms agreement, or a cutoff of present West German aid to an Arab state.

Egyptian pressure has already caused repercussions in Lebanon that could become serious. Although Lebanon in the end lined up with Egypt on breaking with Bonn, pro-Nasirites have demonstrated against the Lebanese Government's moderate stand during the Cairo meetings. The security of President Hilu's regime may be undermined if it wavers or fails to follow Cairo's lead to the fullest.

Bonn is both satisfied over the rapid Israeli acceptance of the German recognition offer and apprehensive lest some Arab states recognize East Germany, in addition to breaking ties with West Germany. Bonn officials have taken a conciliatory line toward the Arab states other than Egypt, and thus far Bonn has limited itself to official protests against the attacks on its embassies in Iraq and Yemen this week. Meanwhile, special representative Birrenbach has returned to Tel Aviv, apparently bearing the word that Bonn wishes to complete the diplomatic recognition process through a quick exchange of ambassadors.

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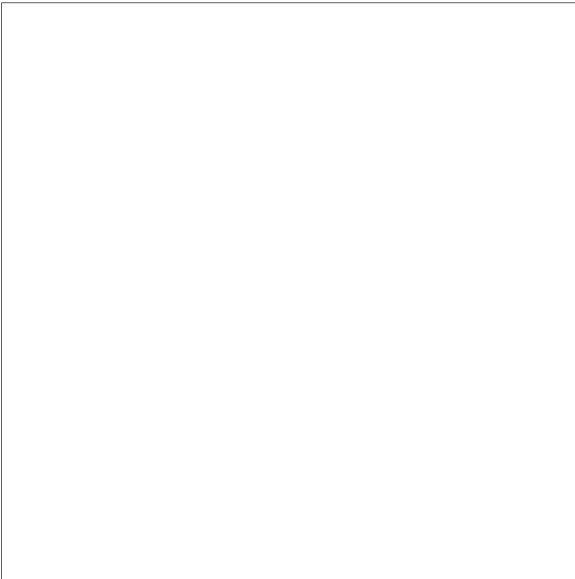
Asia-Africa

CONGO GOVERNMENT STARTS DRIVE ON NORTHEAST BORDER

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The oft-postponed government military operation to seal the northeast border of the Congo has started, while upcoming elections preoccupy the government apparatus in most of the country.

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Ugandan Prime Minister Obote's attitude toward the Congolese rebels remains ambiguous.

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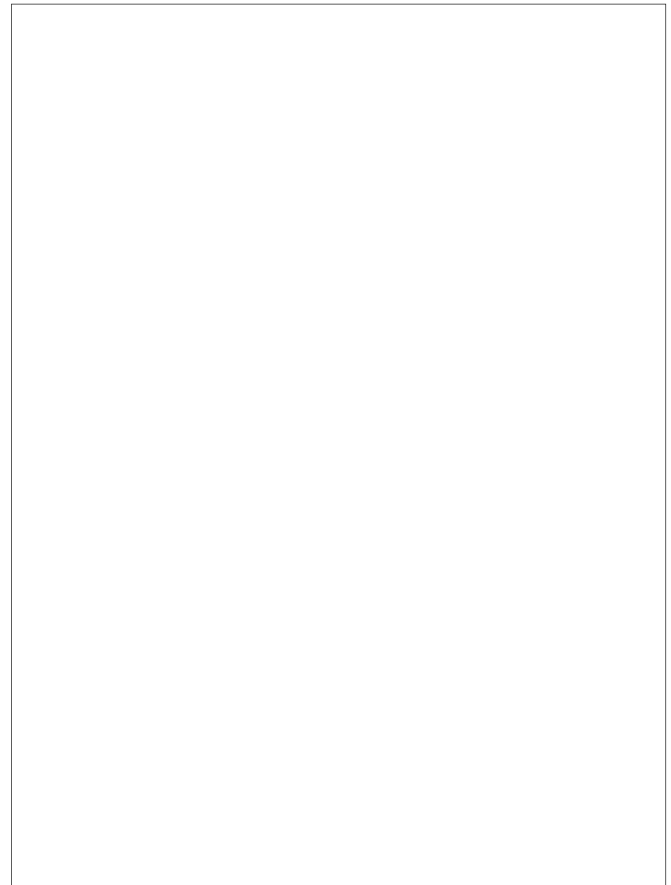


Border incidents continue, however

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Ugandan authorities probably are still providing the rebels sanctuary and offering some logistical support.

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Meanwhile, preparations for the Congo's parliamentary elections are proceeding. The voting--to be staggered province by province--starts this week end in the Katangan provinces and is scheduled to finish in the northeastern provinces by the end of April. At the recent Organization of African Unity conference in Nairobi, Tshombé invited the rebels to return and stand for offices. He also invited several countries to send observers; none has yet responded.

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Asia-Africa

BURUNDI STILL UNSTABLE AS KING VACATIONS IN EUROPE

The political situation in Burundi, which revolves around the endemic Tutsi-Hutu tribal struggle for power, continues to simmer in the wake of the assassination of the Hutu prime minister in mid-January and the expulsion of the Chinese Communist diplomats in early February. The new prime minister, Joseph Bamina, another Hutu, has yet to consolidate his position, and the radically inclined Tutsi leaders continue to seek ways to re-establish their influence.

The King, who has asserted a strong personal role in recent months, left on 10 March for two months' vacation in Europe. During this period he expects to exert his influence through his personal secretary and other individuals responsible directly to him. Just before he left, the King moved key government

ministries--Justice and Information--into the royal secretariat under his personal control. He already directly ruled the army and gendarmerie. The King also dissolved parliament, apparently to preclude any steps to oust Bamina there.

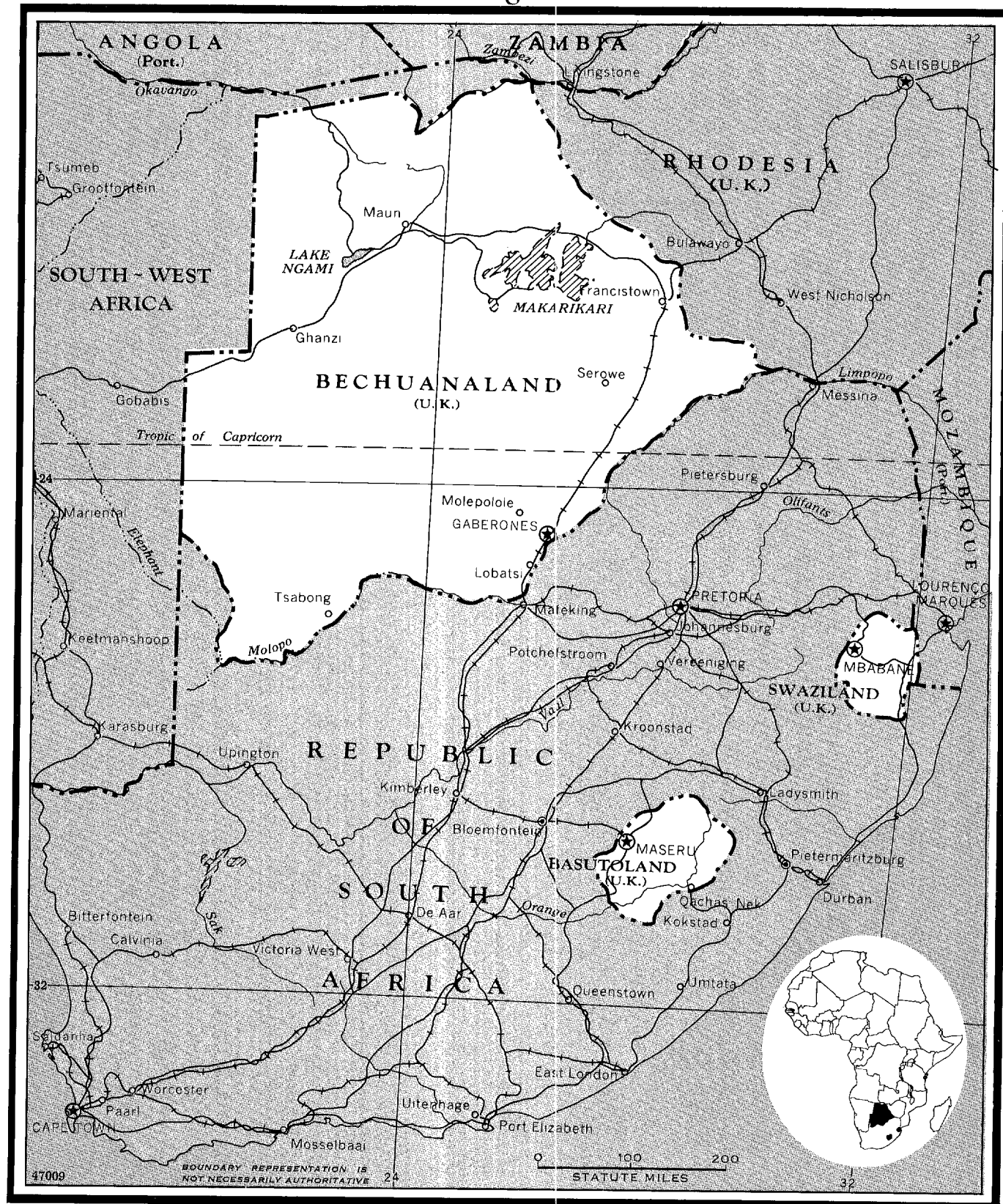
The US Embassy in Bujumbura is concerned that the Tutsis may nevertheless act during the King's absence and believes that disturbances and even another assassination cannot be discounted. It fears that the King's inexperienced appointees and the timid prime minister may be easy prey to the veteran Tutsi plotters and that Tutsi extremists will be encouraged to try to return Burundi to the pro-Communist camp. The radical foreign minister recently declared on his own that Burundi would resume diplomatic relations with Peiping when the political situation becomes "more settled."

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SOUTH AFRICA *British High Commission Territories*



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Asia-Africa

BRITISH-RULED HIGH COMMISSION TERRITORIES HOLD ELECTIONS

Elections held this month and next in Bechuanaland and Basutoland--British High Commission territories adjacent to South Africa--are determining what kind of indigenous governments these territories will have when, as seems probable, they become independent next year. The viability of each state will depend on cooperation from South Africa, yet each is under increasing pressures to serve as a forward base for African nationalists seeking to overthrow South Africa's white regime.

In the 1 March elections in Bechuanaland, Seretse Khama--a proponent of close and friendly relations with South Africa--and his Bechuanaland Democratic Party (BDP) won 28 of the 31 popularly elected seats in a newly enlarged Legislative Assembly. Now prime minister, Seretse has announced his determination to foster South African trade and investment, and has indicated that Bechuanaland will not join in any economic sanctions against Pretoria. He argues that other African states must recognize the geographic realities for a nation of only 500,000 with a primitive pastoral economy, situated amidst white-ruled South Africa, Southwest Africa, and Rhodesia. Seretse is aiming for complete independence by September 1966, and Britain is likely to concur.

Basutoland, where elections are due next month, has relatively bleak prospects for independent existence separate from South Africa, which completely surrounds this small, barren territory and provides indispensable employment

for at least 100,000 of its 800,000 population. Basutoland politics are, however, the most volatile of the three territories. The country has become a haven for South African subversives, and the militant antiwhite Pan-African Congress, headquartered in Maseru, has linked itself with the strongest local party, the Basutoland Congress Party (BCP). The BCP seeks to displace the tribal chiefs, who retain their ascendancy with British backing.

Elections for the Basutoland Assembly have been repeatedly postponed ostensibly because of British fears of serious violence between the BCP and the two traditionalist parties which favor collaboration with South Africa. The election delays have increased the traditionalists' chances, but it is doubtful that any indigenous regime could effectively restrain the militant refugees. Britain is pledged to grant independence within a year of the elections, unless flagrant disorders occur.

In South Africa, the ruling Nationalist Party is anxious to have friendly or at least passive neighbors, and its spokesmen say they will pursue a constructive policy of aid toward Basutoland and Bechuanaland, as well as Swaziland, the third High Commission territory, where traditionalist elements are strongest and independence may be deferred several years. But hostility from these territories against South Africa would probably be countered with harsh and crippling restrictions on trade or migrant labor.

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Europe

FRENCH MUNICIPAL ELECTIONS REVEAL WEAKNESS OF GAULLISTS

The most noteworthy result of France's municipal elections on 14 March--the first of two rounds--was the Gaullists' failure to shake the local fiefs of the old-line parties. The returns indicate that the Gaullist Union for the New Republic (UNR) was unable to improve much on the meager showing it made in the last municipal elections six years ago, when it was in its organizational stage.

The customary runoff ballot will take place on 21 March. This year, however, a Gaullist-inspired electoral law revision prohibiting any change in party lists between the two ballots in cities of over 30,000 people helped decide an unusually large number of contests in the first round. Definitive results were obtained in two thirds of the 159 cities in question.

Only in Paris did the new electoral law accomplish the polarization of leftists around the Communists and of moderates around the UNR that the Gaullists had hoped for. As a result the Gaullists will probably come out on top in at least 9 of the 14 Parisian districts on the second ballot and thereby gain an absolute majority in the 30-member Paris Municipal Council.

Marseille Mayor Gaston Deferre, the principal opposition candidate for the presidential race in December, has a comfortable lead over both the Communists and the UNR. Barring an unlikely coalition of these two elements against him, he should easily win re-election as a councilman in the runoff. His re-designation as mayor would then seem assured--enabling him to retain his base for the presidential campaign.

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SIGNS OF NEW DOMESTIC OPPOSITION TO PORTUGUESE REGIME

Although Portugal continues to present a facade of passive political conformity, there are signs of economic discontent containing a potential for political unrest.

In northern Portugal middle-income businessmen who have been supporters of the Salazar regime are reportedly dissatisfied with 1964 tax regulations which were instituted to finance military operations in Portuguese Africa. They feel the new taxes discriminate against them in favor of more influential people. This has led them to question the regime's African policy.

Rising prices and discontent with low wages are also generat-

ing complaints from regime supporters. Industrialists are dissatisfied with the rigidity of wage policies, especially in areas where the emigration rate is high. These irritants are blamed on the government because it controls the economy. Various major industries are reportedly ready to raise wages, but Premier Salazar made it clear in a recent major speech that wage pressures must be resisted for the sake of stability.

Another potential ally of the traditional intellectual opposition may be small rural landowners, who expect shortly to be subjected to higher real estate appraisals.

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Western Hemisphere

CASTRO CRITICIZES COMMUNIST WORLD RIFT AND VIETNAM POLICY

In a speech broadcast over Radio Havana's world-wide facilities on 13 March, Fidel Castro declared that the Sino-Soviet dispute is diverting the "socialist camp" away from its primary task of struggling against "Yankee imperialism." He was especially critical of the failure of Moscow and Peiping to come to Hanoi's aid with "arms and men."

The Soviet Union was the chief target of Castro's barbs. He implied that Moscow should take risks in Southeast Asia today that it refused to take during the Cuban missile crisis in 1962. Castro boasted that the Cuban people had welcomed the introduction of Soviet strategic missiles into Cuba even though they realized that war could result, and that they had "disagreed with their being taken away." Referring to the Vietnam situation, Castro said, "we don't go for the idea of shutting our mouths and pretending we are morons to see whether the Americans spare our lives."

Castro was also critical of discussions of differences among Communists "unless they can yield something positive." This seems to have been a veiled reference to the recent "consultative" meeting of Communist parties in Moscow. A Cuban delegation headed by Raul Castro was on hand for that meeting, but the indications are that Cuba's decision to attend was made only when it became clear that the participants would not be asked to agree to measures which would further exacerbate the Sino-Soviet controversy.

In Castro's view, the division in the Communist world only encourages the US to step up its attacks in Southeast Asia and diminishes the prestige of international Communism. He also asserted that "as long as we have imperialism in front attacking, it would be ridiculous to sit down and discuss whether they are greyhounds or mongrels, whether they are made of paper or iron."

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Western Hemisphere

PERONISTS GAIN IN ARGENTINE CONGRESSIONAL ELECTIONS

The initial count of the 14 March election in Argentina, in which half of the 192 Chamber of Deputies seats were at stake, indicates that President Illia's People's Radical Civic Union (UCRP) came out with its plurality bloc of about 70 seats still intact. The most spectacular winners, however, were the various Peronist-oriented parties which cumulatively outpolled the UCRP and raised their representation in the chamber from 17 to around 50 seats. These gains were achieved despite the employment of a proportional representation system specifically designed to prevent the Peronists from winning a large number of seats. The remaining 70-odd seats are distributed among 10 or 11 small parties.

Hard-line Peronist deputies, mostly from the Popular Union (UP) party, probably will form the nucleus of a large opposition bloc which may not augur well for the government's legislative program. It was these same Peronists who abetted and directed much of the antigovernment labor agitation that marked the Argentine scene last year, culminating in Peron's abortive attempt to return in December. Since the elections,

they have also renewed their cry that Peron's return is essential to the "pacification" of the country.

In any case, there is likely to be a polarization of forces in the chamber between the Peronist bloc and the UCRP. Some of the small parties which have recently withdrawn their support from the government program can be expected to gravitate toward the Peronists. The final analysis may show that success of the government's program will depend on continued backing from the approximately 20 neo-Peronist deputies--those favoring Peronism without Peron.

There are as yet no indications of what impact the election results have registered, but they can scarcely avoid encouraging the belief, particularly among the military, that Illia's "tolerance" of the Peronists has backfired. It is too early to judge how the military will react. However, they will probably allow the Illia government at least some period of grace to determine whether it can govern effectively in the face of a strengthened and much more virulent opposition.

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Western Hemisphere

PRESSURE GROWING FOR BOLIVIAN JUNTA CHIEF'S RESIGNATION

There is increasing pressure on General Barrientos to resign from the junta he now heads by 26 March if he intends to remain a candidate for the Bolivian presidency in elections set for September. The case for resignation is based on a constitutional requirement that presidential candidates who hold public office resign 180 days before the election date.

Opposition parties and discontented labor groups are spearheading the drive to get Barrientos to step down. However, many Bolivians who are not politically opposed to Barrientos--including some army officers--agree that he should comply with the constitution. Thus far, Barrientos has refused to do so on the grounds that the requirement does not apply to him as head of an interim government. In reality, he fears

that should he resign, commander of the armed forces General Ovando would impose a military dictatorship.

Ovando claims that he supports Barrientos

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In a private conversation with US officials, Ovando expressed the view that military opinion would leave Barrientos no choice but to resign.

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HONDURAN OPPOSITION PARTY BOYCOTTING CONSTITUENT ASSEMBLY

The opposition Liberal Party boycotted the inaugural session of the Honduran constituent assembly on 16 March, and has indicated an intention to stay away as long as its many fundamental differences with the dominant Nationalists remain unresolved. The assembly, however, is to go about its work. As the first order of business, it is likely to delegate authority to Chief of Government Lopez until a new constitution is promulgated and Lopez is installed as president under its terms.

Negotiations between the two parties are expected to continue, and it is possible that some compromise will be worked out. The indications are, however, that the Nationalists are unwilling to meet any important Liberal demands. As a consequence, the more militant factions of the Liberal Party may join the Communists and other subversives in armed opposition to the regime.

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